

Energy Security and Consumer Protection Act Passes House

Written by Mike Honda

Tuesday, 16 September 2008 19:00

This week my colleagues and I in the House passed a major piece of legislation that would take us boldly forward in bolstering federal efforts to encourage energy conservation and research into and development of renewable energy sources.

The [Comprehensive Energy Security and Consumer Protection Act](#) (H.R. 6899) is a bold step forward in these areas. It launches a clean renewable energy future that will create new American jobs; invent and build more efficient vehicles, buildings, and infrastructure; and lower costs to consumers and protect the interest of taxpayers.

Incentives for Renewable Energy

The bill extends and expands tax incentives that encourage the adoption of renewable electricity sources such as solar and wind, biofuels, plug-in hybrid vehicles, and energy efficient homes, buildings, and appliances. A Renewable Energy Reserve would be created to invest in clean, renewable energy resources and alternative fuels, promote new energy technologies, develop greater efficiency and improve conservation. The Reserve will also fund home heating assistance, weatherization, the Land and Water Conservation Fund, and carbon capture and sequestration work to reduce the emissions of greenhouse gases from the use of coal.

Energy Supply Diversity

A Renewable Electricity Standard would be established that requires utility companies to generate 15 percent of electricity from renewable sources by 2020. In addition, it will help ensure that we achieve diversity in our vehicle fuel supply by calling for cellulosic biofuels to be produced from a highly diverse array of feedstocks and promoting natural gas and E-85 infrastructure. It will promote greater energy efficiency and construction through updated building energy codes. Transit fares would be reduced for commuter rail and buses and service expanded, which will save commuters money and reduce energy consumption.

Drilling

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Domestic oil production would be increased in areas already open to drilling by requiring oil companies to drill on the 68 million acres of federal lands they already control, mandating annual lease sales in the National Petroleum Reserve in Alaska (NPR-A), requiring the Administration to facilitate completion of the oil pipeline infrastructure into the NPR-A and the construction of the Alaska National Gas Pipeline, and banning the export of Alaskan oil. It will also require oil companies to pay their fair share by repealing tax subsidies that they don't need as they reap record profits and ensure that they pay royalties on flawed leases granted in 1998 and 1999.

While I don't believe that the United States can become energy independent or measurably affect the world price of oil simply by drilling for more oil, the moratorium on drilling on the Outer Continental Shelf (OCS) will expire on September 30 th. Unless we act, big oil companies will be able to drill as close as three miles offshore where routine and catastrophic oil spills could cause severe damage.

Leasing will be permitted between 50 and 100 miles offshore if a state opts-in while protecting marine National monuments and National Marine Sanctuaries from oil and gas leasing and requiring all leasing activities to protect the coastal, marine, and human environment. The remaining OCS beyond 100 miles would be open to oil and gas leasing. This would result in 85% of the total oil available on the OCS being open for leasing.

The fact is that oil companies don't think it is worth their money to drill on the leases they have on the OCS already. Despite Republican calls of "Drill, baby, drill!," H.R. 6899 will expand oil production offshore while setting forth a reasonable buffer zone and in return, protect American taxpayers' interest in American resources and use the revenue that oil companies will be required to pay to help fund our transition to a clean renewable American energy future. Republicans would prefer to allow more drilling without requiring oil companies to pay royalties owed to the American taxpayers and ending tax subsidies for drilling.

Concerns with the Legislation

This is not a perfect bill – I would prefer to retain the current moratorium on offshore drilling. But given the pending expiration of the OCS moratorium, we must act to provide some protection for our coasts. If we can use the royalty and lease revenue from expanded OCS drilling to invest in renewable energy and energy efficiency at the same time, then I think that is an opportunity we must take advantage of.

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I am pleased however, with the passing of the bill, particularly because of its extension of incentives for renewable energy, investments in new energy technologies, and the implementation of measures to promote the expanded use of renewable energy sources. More work is needed to help us move away from our dependence on oil and other non-renewable energy sources, but this bill is a major step forward in our movement towards energy independence.